

Message Text

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42

ACTION EA-10

INFO OCT-01 ISO-00 EB-07 COME-00 DOTE-00 PM-03 NSC-05

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E.O.11652: AGDS DECONTROL JAN 24, 1976

TAGS: BDIR PFOR CB US

SUBJECT: MESSAGE FOR SECRETARY FROM CERTAIN U.S.-OWNED AIRLINES
OPERATING IN CAMBODIA

REF: STATE 013857

1. CABLE QUOTED REFTEL WAS REPEATED IN ANOTHER MESSAGE TO AMBASSADOR. COMPLAINT OF FREQUENT COMMANDEERING OF CIVIL AIRCRAFT BY GKR FOR GRATIS TRANSPORT OF TROOPS AND RICE IS PARTIALLY ACCURATE ALBEIT EXAGGERATED. WE ARE MAKING SEPARATE REPLY TO ZIEGLER. COMMENTS FOLLOW.

2. THERE ARE NO U.S.-OWNED AIRLINES OPERATING COMMERCIALY IN CAMBODIA. WHAT WE HAVE AT PRESENT ARE 23 DOMESTICALLY REGISTERED AIRLINES. OF THESE, THE TWO MAJOR ONES EITHER OWN OR LEASE A TOTAL OF 23 AIRCRAFT. THE REST LEASE FROM ONE TO THREE AIRCRAFT EACH FROM VARIOUS OUTFITS IN TAIWAN, LAOS, OR THE U.S. GOLDEN EAGLE AIRLINE, AS AN EXAMPLE, IS A KHMER COMPANY THAT LEASES AIRCRAFT FROM TRI-NINE. THE SHEER PROLIFERATION OF AIRLINES IN THE PAST FEW YEARS IS PROOF OF THE HIGH RETURNS MADE IN CIVIL AIR TRANSPORT. AS THE GOLDEN AGE OF CIVIL AVIATION IN CAMBODIA SHOWS SIGNS OF DECLINE, WE CAN EXPECT MR. ZIEGLER AND OTHERS TO CRY WOLF AT

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EVERY OPPORTUNITY. WE MUST CONCLUDE THAT MR. ZIEGLER OF

TRI-NINE COMPANY IS SPEAKING FOR HIMSELF RATHER THAN ON BEHALF OF VARIOUS CIVIL AIRLINES. IT MAY BE THAT THE DETERIORATING ECONOMIC SITUATION IN THIS WAR-TORN COUNTRY PROVIDES LESS AND LESS OPPORTUNITIES FOR THE HIGHLY LUCRATIVE BUSINESS ENJOYED BY AIRLINES IN THE LAST FEW YEARS. WE SUGGEST THIS IS THE CRUX OF MR. ZIEGLER'S PROBLEM.

3. IN A COUNTRY AT WAR, USE OF CIVIL MODE OF TRANSPORT TO MOVE TROOPS IS COMMON PRACTICE. IN CAMBODIA, THE COMMANDEERING OF CIVIL AIRCRAFT FOR TROOP TRANSPORT HAS BEEN SPORADIC AND NEVER FOR MORE THAN A FEW DAYS AT A TIME. THE BURDEN HAS BEEN FAIRLY DISTRIBUTED AMONG THE 23 DOMESTIC AIRLINES AND HAS HAD A LIMITED IMPACT ON THEIR REGULAR COMMERCIAL FLIGHTS. NONETHELESS, IT IS OUR UNDERSTANDING THAT AIRLINES ARE NOT RECEIVING MONETARY COMPENSATION WHEN AIRCRAFT ARE COMMANDEERED FOR THIS PURPOSE. WHILE THE FANK DOES ISSUE VOUCHERS TO THE AIRLINES, COLLECTING PAYMENT SEEMS TO BE ANOTHER MATTER. VOUCHERS TEND TO GET LOST IN MILITARY ADMINISTRATIVE CHANNELS AND AIRLINES ARE APPARENTLY UNSUCCESSFUL IN PURSUING THEIR CLAIMS AGAINST FANK. THESE ARE NO AMERICAN AIRLINES OPERATING COMMERCIALY IN CAMBODIA AND AS A RESULT WE HAVE HAD NO REQUESTS FOR ASSISTANCE IN OBTAINING PAYMENT FOR TROOP MOVEMENTS.

4. RICE IS QUITE A DIFFERENT MATTER. DOMESTIC AIRLINES ARE REQUIRED BY THE GKR RICE COMMITTEE TO OPERATE RICE AIRLIFTS TO KHMER ENCLAVES OF WHICH THERE ARE FOUR AT PRESENT. DUE TO AIRSTRIP CONFIGURATIONS AT THSE LOCATIONS, ONLY DC-3 TYPE AIRCRAFT ARE USED FOR THIS PURPOSE. TO SERVE ALL FOUR ENCLAVES, APPROXIMATELY 20 DAILY SORTIES ARE REQUIRED, NONE OF THEM EXCEEDING TWO HOURS ROUNDTROP TIME. ON ANY GIVEN DAY, AIRCRAFT WORKING THE RICE AIRLIFT HAVE ALWAYS SUFFICIENT TIME LEFT FOR REGULAR COMMERCIAL FLIGHTS. DOMESTIC AIRLINES ARE PAID FOR RICE FLIGHTS AT OFFICIALS FREIGHT RATES. MOREOVER, BECAUSE OF THE NON-AVAILABILITY OF COMMERCIAL CARGO ON RETURN TRIPS FROM ENCLAVES, THE GKR NATIONAL RICE COMMITTEE AUTHORIZES A SUPPLEMENTARY PAYMENT TO ALL AIRLINES OF 40 PERCENT OF THE FREIGHT RATE FOR THE RETURN TRIP REGARDLESS OF WHETHER OR NOT THEY ARE ABLE TO PICK-UP SOME COMMERCIAL CARGO. IN THE PAST, AIRLINES HAVE EXPERIENCED DELAYS IN RECEIVING PAY-LIMITED OFFICIAL USE

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MENT FROM THE GKR MINISTRY OF FINANCE FOR AIR/LAND DELIVERIES OF RICE. USAID HAS BEEN QUITE RECEPTIVE TO THEIR COMPLAINTS ON THIS SCORE. SINCE WE HAVE A PERMANENT REPRESENTATIVE AT THE RICE COMMITTEE, WE HAVE BEEN ABLE TO PUSH THROUGH AN ACCELERATED PAYMENT PROCEDURE WHEREBY AIRLINES ARE NOW ACTUALLY RECEIVING FULL PAYMENT WITHIN TWO TO THREE WEEKS FOLLOWING SUBMISSION OF THEIR CERTIFIED INVOICES. THIS IMPROVEMENT HAS MOLLIFIED ALL AIRLINES TO THE POINT WHERE COMPLAINTS HAVE COMPLETELY

CEASED.

IT SHOULD BE ADDED THAT ALL DOMESTIC AIRLINES PARTICIPATE IN
THE GKR WEEKLY AVGAS MEETINGS WHERE USAID IS ALSO REPRESENTED,
AND ARE THUS AFFORDED AN OPPORTUNITY TO VOICE COMPLAINTS
AND/OR GRIEVANCES.

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